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## HEALTH CARE REFORM UPDATE September 16<sup>th</sup>, 2013

### Leading the News

#### *Obama Administration Threatens Veto for No Subsidies Without Verification Act*

On September 11<sup>th</sup>, the House of Representatives **passed** H.R. 2775, the No Subsidies Without Verification Act, in a partisan vote of 228 to 195. The bill would require the Department of Health and Human Services (HHS) to verify an individual's reported income before providing them tax credits or subsidies under the Affordable Care Act (ACA). The White House **announced** that President Obama would veto H.R. 2775, saying the aim of the bill was already being accomplished as part of the ACA and the bill itself would only create more delays. The day before the legislation passed the House, the Congressional Budget Office (CBO) released a report that was uncertain of the effects of the legislation as HHS is already implementing a program to verify household income, and since it should be operational by January 1, 2014, tax credits and subsidies should be made available on schedule.

#### *SGR Bill Will Increase Spending by \$175 Billion*

On September 13<sup>th</sup>, the CBO **released** a report stating that H.R. 2810, the House Energy and Commerce Committee bill to repeal and replace the Medicare Sustainable Growth Rate (SGR), would increase federal spending by \$175 billion between 2014 and 2023.

### Implementation of the Affordable Care Act

On September 9<sup>th</sup>, Rite Aid **announced** that they will be taking an active role in consumer outreach and education on the ACA. Beginning October 1<sup>st</sup>, independent, licensed insurance agents will be onsite in nearly 2,000 Rite Aid stores.

On September 9<sup>th</sup>, HHS sent a letter to Chairman of the House Energy and Commerce Committee Fred Upton (R-MI) on behalf of Navigator groups to answer the committee's questions regarding the Navigator program.

On September 9<sup>th</sup>, Senator John Thune (R-SD) **introduced** a bill to prevent the Obama administration from providing insurance subsidies to union-offered multi-employer health plans, known as “Taft-Hartley” plans.

On September 10<sup>th</sup>, Representative Phil Gingrey (R-GA) **introduced** H.R. 3071, the “No Special Treatment for Congress Act.” The bill would reverse a rule issued by the Office of Personnel Management that allows the federal government to subsidize the employee health plans of staffers and lawmakers enrolled in the health insurance exchanges.

On September 10<sup>th</sup>, the House Energy and Commerce Subcommittee on Health held a hearing titled “PPACA Pulse Check: Part 2” to examine readiness and implementation issues in the ACA.

On September 10<sup>th</sup>, the SEIU **announced** that its members will be undertaking a major outreach initiative in order to reach out to consumers and educate them about the benefits of the ACA.

On September 11<sup>th</sup>, HHS Assistant Inspector General for Audit Services Kay Daly **testified** before the House Committee on Homeland Security on the Health Exchange Data Hub. CMS also **released** a fact sheet stating that the Data Services Hub completed its independent Security Controls Assessment on August 23<sup>rd</sup> and received an authorization to operate on September 6<sup>th</sup>.

On September 11<sup>th</sup>, delegates to the AFL-CIO Convention **passed** a resolution supporting the goals of the ACA. However, the resolution also called for changes in how the ACA treats multi-employer health care plans and expressed concerns that employers will cut work hours below the 30-hour week threshold to avoid providing health care coverage.

On September 12<sup>th</sup>, Representative Tom Graves (R-GA) **introduced** the “Stability, Security, and Fairness Resolution,” which will fund the government through Fiscal Year 2014 and fully delay and defund the ACA until 2015.

On September 12<sup>th</sup>, HHS **released** a report which found that 6.8 million consumers saved an estimated \$1.2 billion on their health insurance premiums in 2012 as a result of the ACA’s “rate review” provision.

On September 13<sup>th</sup>, HHS **announced** \$67 million in awards to support new health care delivery sites and expand access to health care. The ACA provided \$19 million to establish 32 new delivery sites, while the remaining \$48 million was awarded to support ongoing operations at 1,200 existing delivery sites.

On September 13<sup>th</sup>, CMS **released** a finalized ACA rule regarding the methodology to implement aggregate reductions to state Medicaid Disproportionate Share Hospital (DSH) allotments between 2014 and 2020. The final rule disregards whether or not states have chosen to accept the Medicaid expansion when calculating the reduction in DSH allotments.

### **Other HHS and Federal Regulatory Initiatives**

On September 10<sup>th</sup>, the Food and Drug Administration **announced** that it will be making safety labeling changes and postmarket study requirements for extended-release and long-acting opioid analgesics intended to treat pain.

On September 11<sup>th</sup>, CMS **awarded** a \$10 million contract to Arch Systems to investigate gaps, data errors, and inconsistencies in program data in the Physician Quality Reporting System and the Electronic Prescribing Incentive System.

On September 12<sup>th</sup>, the Federal Commission on Long-Term Care **voted** to approve a package of recommendations to be included in its final report on long-term care services by a vote of 9 to 6. The report will be published September 30<sup>th</sup>.

### **Other Health Care News**

On September 10<sup>th</sup>, President Obama **nominated** Dr. Richard Frank to be the Assistant Secretary for Planning and Evaluation in HHS. Dr. Frank is currently the Margaret T. Morris Professor of Health Economics in the Department of Health Care Policy at Harvard Medical School.

On September 10<sup>th</sup>, the Patient Centered Outcomes Research Institute (PCORI) **approved** 71 awards to support research into patient-centered clinical effectiveness.

On September 12<sup>th</sup>, First Lady Michelle Obama joined the Partnership for a Healthier America (PHA) to announce a new effort to encourage everyone to drink more water. The **initiative**, part of the First lady's *Let's Move* campaign, promotes drinking a glass or more of water per day by adding a "Drink Up" logo to bottled water and other products.

### **Hearings and Mark-Ups Scheduled**

#### *Senate*

On September 18<sup>th</sup>, the Senate Special Aging Committee will hold a **hearing** titled "Older Americans: The Changing Face of HIV/AIDS in America."

#### *House*

On September 17<sup>th</sup>, the House Veterans' Affairs Subcommittee on Health will hold a **hearing** titled "Making a Difference: Shattering Barriers to Effective Mental Health Care for Veterans."

On September 18<sup>th</sup>, the House Oversight and Government Reform Subcommittee on Economic Growth, Job Creation, and Regulatory Affairs will hold a **hearing** titled "Federal Implementation of Obamacare: Concerns of State Governments."

On September 19<sup>th</sup>, the House Energy and Commerce Oversight and Investigations Subcommittee will hold a **hearing** titled "Two Weeks Until Enrollment: Questions for CCIIO."

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On September 19<sup>th</sup>, the House Judiciary Subcommittee on Regulatory Reform, Commercial, and Antitrust Law will hold a [hearing](#) titled “The Patient Protection and Affordable Care Act, Consolidation, and the Consequent Impact on Competition in Healthcare.”